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DAN F. ARNETT
CHIEF OF STAFF

January 26, 2006

VIA HAND DELIVERY

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

1/26/06
tocl

SC PUBLIC SERVICE
COMMISSION

2006 JAN 26 AM 11:02

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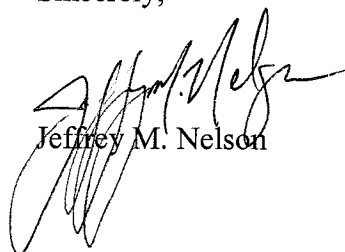
Re: Application of Bell Atlantic Communications, Incorporated d/b/a Verizon
Long Distance for Approval of an Increase of Maximum Rates for Long
Distance Message Telecommunications Service and Plan M Service
Monthly Recurring Charge
Docket No. 2005-384-C

Dear Mr. Terreni:

Enclosed for filing please find the original Settlement Agreement with both
original signatures in the above referenced matter. Please date stamp the extra copy
enclosed and return it to me in the envelope provided.

Thank you very much for your assistance. Please let me know if you have any
questions.

Sincerely,


Jeffrey M. Nelson

JMN/pjm
Enclosures

JAN 26 2006
REG. NO. 100-1-1-1
COMM. DEPT.

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-384-C

January 20, 2006

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SC PUBLIC SERVICE
COMMISSION

IN RE:

Application of Bell Atlantic Communications,)
Incorporated d/b/a Verizon Long Distance)
For Approval of an Increase of Maximum)
Rates for Long Distance Message)
Telecommunications Service and Plan M)
Service Monthly Recurring Charges.)
_____)

SETTLEMENT AGREEMENT

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Bell Atlantic Communications, Incorporated d/b/a Verizon Long Distance ("Verizon" or "Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on December 9, 2005 Verizon filed an application requesting a tariff revision, which the Company requested to become effective on February 1, 2006. This filing would increase the maximum rates for Long Distance Message Telecommunications Services (LDMTS) and Plan M Service Monthly Recurring Charge (MRC). The Company proposes to increase the LDMTS maximum rate from \$0.35 to \$0.60, and the Plan M Service MRC maximum rate from \$2.00 to \$6.00. If approved by the South Carolina Public Service Commission ("PSC"), the Company plans to increase the current rate for LDMTS from \$0.35 to \$0.40 and for Plan M Service the current MRC will go from \$2.00 to \$3.00.

WHEREAS, in accordance with the directive of the PSC, on January 5, 2006 the Company filed with the PSC proof of publication of the Notice of Filing in this matter in *The State* newspaper on January 3, 2006, and;

WHEREAS, no other parties have intervened in this matter by the last intervention date of January 16, 2006, as stated in the aforesaid public notice, and;

WHEREAS, since the filing of the notice, ORS has reviewed the proposed tariffs and rate schedules submitted by Verizon;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions;

1) The Parties agree to stipulate into the record before the Commission this Settlement Agreement;

2) Verizon agrees to provide a minimum of thirty (30) days notice to current subscribers of its LDMTS and Plan M Services of the increase in rates requested in this matter prior to their being implemented and charged to such current customers;

3) The Parties agree that the Company should be granted the requested increase in its maximum rates for LDMTS and Plan M Services;

4) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B) (added by Act 175). S.C. Code § 58-4-10(B)(1) through (3) reads in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of

utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

5) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

6) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair, or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty or obligation.

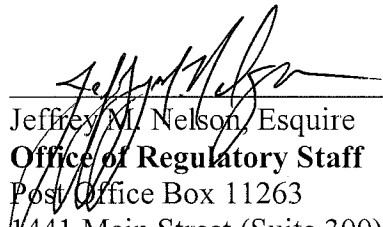
7) This Settlement Agreement shall be interpreted according to South Carolina law.

8) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the

document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

Representing the Office of Regulatory Staff



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Phone: (803) 737-0823
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E-mail: jnelson@regstaff.sc.gov

WE AGREE:

**Representing Bell Atlantic Communications, Inc. d/b/a
Verizon Long Distance**

